

SPECIAL REPORT BY THE GOVERNMENT STATIST TO THE HON. THE CHIEF SECRETARY

UPDN THE PRODUCTION OF STATE FOR THE PERIOD 1909-10 to 1926-27.

I respectfully report the completion of a statistical study of the Annual Production of the State and the fluctuation of prices for same for the period 1909-10 to 1926-27, 18 years.

The primary objective was to record the approximate progress or otherwise in the relative quantity production per inhabitant for the period under review, and secondly the extent of price movement, for since the opening year of the War, 1913-14, market values of commodities increased considerably.

Certainly it has been most satisfactory to record very substantial monetary increases in production, but without investigation as to the actual volume of production, very misleading impressions are possible. The satisfaction afforded by high monetary returns is heavily discounted if investigation proves that the actual quantity production relative to increasing population has not been reasonably maintained.

In a country such as this State, dependent as it is mainly upon primary production, progress cannot fairly be said to exist unless relative quantity production has at least kept pace with the increase of population. In a young developing country with the introduction of all the latest and modern methods of work and mechanical aids, it would be reasonable to expect the volume of production per inhabitant to substantially rise over a period of 18 years.

The productive activities of the State for the purposes of this study have been subdivided as follows:-

(1) PASTORAL, (2) DAIRYING, (3) CROPS OF ALL KINDS, (4) THE AGGREGATE OF (1), (2) AND (3); (5) FACTORIES and (6) THE GRAND TOTAL, which in addition to the foregoing includes all miscellaneous production. Each of these will be reviewed separately after dealing with the Grand Total.

GRAND TOTAL PRODUCTION.

(For annual details see Graph No. 6 and column 6 in returns 18 and 19.)

(1) Prices. From 1911-12, prices had risen 40% by the first year of the War, (1914-15), then after falling in 1915-16 and 1916-17 increased by 86.6% in 1919-20 and ended in 1926-27, 60% higher than in 1911-12.

(2). Monetary Increase. The total value of the production of the State increased from £17,339,365 in 1911-12 to £41,154,716 in 1926-27, an increase of 137.3%.

(3) Gross Quantity Increase. Taking the volume of production as equal to an index number of 1,000 in 1911-12, in 1926-27 the index number would be 1484, representing an increase of 48% in gross quantity production. When, however, the quantity production is calculated per inhabitant the increase of 48% is reduced to approximately 10%, thus indicating very little progress relative to population.

(4) Graph 6. The trend of prices for the 18 years is indicated by the broken curve and the quantity production per inhabitant by the continuous heavy curve. These give a ready impression of the fluctuations for the whole period. It will be noticed that the heavy curve representing quantity production remains fairly even from 1917-18 to date.

1926-27 of 1911-12 compared with 1911-12. See Graph No. 4. Quantity Curve, (—) which only shows a few slight annual rises above 1911-12, with one good rise in 1923-24.

Like the Pastoral Industry, from the point of view of relative quantity production per inhabitant, the tendency is backward, the Graph No. 2 for Dairying Products showing a continuous fall in quantity from the increase of 24% per inhabitant in 1923-24 to a decrease of 15% in 1926-27 compared with 1911-12.

IV.

THE PASTORAL INDUSTRY.

For annual details see Graph No. 1 and column (1) in returns 18 and 19.

This section embraces the net annual increase of Horses, Cattle and Sheep, and Wool Production.

(1) Prices. The increased market values of Pastoral Products has been more pronounced than for any other Section of Production (see broken curves of graphs). Compared with 1911-12, prices were 110% higher in 1916-17 remaining about this level until 1921-22 when the percentage fell to 55% rising to the maximum year 1924-25 when they were 182½% greater than in 1911-12, the level ending in 1926-27, 90¾% greater.

(2) Gross Value. The total monetary return shows a very prosperous rise from £2,894,000 in 1911-12 to a maximum of £8,138,000 in 1924-25 and £6,128,000 in 1926-27. These substantial monetary increases are entirely due to enhanced market values and unfortunately not to increased volume of production.

(3) Quantity Production. Even the gross quantity production was annually less than the year 1911-12 until 1925-26 and 1926-27 when it was 11¾ and 11% above. But when compared with the increase of population, the quantity production per inhabitant for 1926-27 was nearly 18% lower than in 1911-12. Wool production has improved in quantity during the last few years, but it is still 10% below the relative quantity of 1911-12. The enhanced market values have perhaps hidden this fact from those interested in the Industry.

The weak point in this Industry is that Sheep are not produced in sufficient numbers to provide for the annual losses by slaughtering for consumption and export, and mortality from drought, dogs, &c., and natural causes, and at the same time maintain the strength of the flocks. The same remark applies to Cattle. During the past 10 years the net imports from other States totalled approximately - Sheep 1,250,000, Cattle 300,000; annual means 125,000 and 30,000 respectively. The average maximum capacity of the State must surely be much greater than flocks of 7,000,000.

V.

DAIRYING.

For annual details see Graph No. 2 and column 2 returns 18 and 19. This group includes milk (used as such and for Butter and Cheese) and net increase in Dairy Cows and Pigs.

(1) Prices. The market values of Dairy Production increased fairly continuously from 1911-12 to 1926-27 with the exception of a sharp rise in 1920-21 of 144% (maximum year) above 1911-12 and a few minor fluctuations, and ending in 1926-27 95% above 1911-12. See Graph No. 2. Prices curve (----).

(2). Gross Value. These enhanced prices are reflected in the grand total value of the products of the Industry which in 1911-12 was £847,000 rising to £2,485,000 in 1923-24 (maximum year) falling back to £1,882,000 in 1926-27.

(3) Quantity Production. For the year 1916-17 to 1923-24 the Dairying Industry made gratifying progress, 17,244,289 lbs. of Butter being made in 1923-24, the total volume of all Dairy Products for that year being 55% above the year 1911-12. Since then there has been a distinct falling off, 1926-27 only being 14% greater than 1911-12.

Relative to population the volume of production shows a decrease in 1926-27 of 15½% compared with 1911-12, see Graph No. 2, Quantity Curve, (———) which only shows a few slight annual rises above 1911-12, with one good rise in 1923-24.

Like the Pastoral Industry, from the point of view of relative quantity production per inhabitant, the tendency is backward, the Graph No. 2 for Dairying Products showing a continuous fall in quantity from the increase of 24% per inhabitant in 1923-24 to a decrease of 15½% in 1926-27 compared with 1911-12.

For annual details see Graph 3 and columns 3 in returns 18 and 19. This group embraces all cereal, hay, fruit and all other kinds of crops.

(1) Prices With the exception of sharp rises of 91% in 1914-15 and 109% in 1919-20 above 1911-12, annual prices have not fluctuated greatly, and ended in 1926-27 being 31% greater than 1911-12, see Graph 3, prices curve (----).

(2) Gross Values. The combination of good increases in volume and of market prices resulted in a very substantial monetary returns. In 1911-12 the crops were valued at £7,482,311 rising to £19,981,471 in 1920-21 (maximum year) and £16,635,366 in 1926-27.

(3) Quantity Production. Crop production being largely influenced by seasonal conditions, annual fluctuations in volume are to be expected and thus comparisons of any one year with another are of little value and may be highly misleading. Deductions should be based on periods of not less than means of 5 years. (See IX means for 3 periods of six years each).

The gross quantity aggregate production of all crops for the last 12 seasons ended 1926-27, with one or two exceptions, has been good, a number of the seasons being from 43 to 74% greater in volume than prior to 1914-15.

The volume of crop products per inhabitant can be traced in the Graph No. 3, quantity curve, (----) and with the exception of 1919-20 and two earlier years is seen to have more than held up to the increase of population since 1911-12.

Attention is called to the heavy falling off in production of Potatoes during the last 10 years. In actual quantity the falling off is 30% to 40% notwithstanding a great increase in population.

(4) Area Cropped. In 1911-12 the acreage cropped for all purposes was 2,965,338 acres or 7.09 acres per inhabitant rising in 1915-16 to 3,763,570 acres averaging 8.44 acres per inhabitant and in 1926-27 to 3,883,919 acres averaging 6.86 acres per inhabitant. Whilst there are evidences of improvement in the last three seasons, the position relative to population is even now no better than in 1911-12 and much worse than in 1915-16.

Fortunately the average yields for the last 10 years have improved.

PASTORAL DAIRYING AND CROPS COMBINED.

For annual details see Graph 4 and column 4 in returns 18 and 19.

The combined market values and volume of production of these industries per inhabitant may be traced for the 18 years by noting the curves in Graph No. 4. The curve of quantity per inhabitant finishing in 1926-27 (1,114) or only 11½% above the base year 1911-12 = (1,000).

FACTORIES.

See Graph 5 and column 5, returns 18 and 19.

(1) Gross Value of Production.

The value added to material by the process of manufacture or treatment was estimated in 1911-12 to have been £4,513,000 and in 1926-27 £13,077,000, an increase of 190%. During this period it is estimated that prices increased 95%, that is 1911-12 = 1,000 and 1926-27 = 1,952, see graph No. 5, prices curve (----).

VIII (2) Quantity Production. The volume of output of factories cannot be approximated with such reliability as for other groups of production, because actual quantities of output are not available for many industries. The formula which has been adopted is one which is used by the Commonwealth Bureau of Statistics, and whilst the method may be open to criticism, I am of opinion that the results obtained are reasonably correct, moreover they have been fairly substantiated by other checks,

The relative quantity output per inhabitant was less than for 1911-12 (= 1,000) for each of the years to 1923-24 (=1,045), when it was 4½% greater and continued to slowly increase to 1926-27 (1,079) when it was only 8% above 1911-12. Graph No. 5 Quantity Curve () shows very slight variations in quantities per inhabitant for the whole of the 18 years.

IX ANNUAL MEANS OF SIX YEAR PERIODS.

The foregoing review covers 18 years. These have been apportioned into three periods of six years and the annual means of each period calculated. The general position can be summed up more readily and probably with greater fairness by noting these figures.

Annual means for periods of six years of the Grand Total Value of Production and the Index Numbers for Market Prices and the Quantity of Production per inhabitant.

MEAN ANNUAL TOTAL VALUES OF PRODUCTION FOR			MEAN INDEX NUMBERS FOR MARKET PRICES QUANTITIES PER INHABITANT					
1910/11	1915/16	1921/22	1909/10	1915/16	1921/22	1909/10	1915/16	1921/22
1914/15	1920/21	1926/27	1914/15	1920/21	1926/27	1914/15	1920/21	1926/27
£	£	£						
<u>PASTORAL INDUSTRY</u>								
91,234	4,948,314	6,453,831	1,125	2,045	2,212	899	740	791
					97%			-12%
<u>DAIRYING INDUSTRY.</u>								
20,781	1,551,244	2,061,932	1,066	1,784	1,841	911	926	1,046
					73%			15%
<u>CROPS OF ALL KINDS.</u>								
94,370	13,598,648	14,400,813	1,091	1,401	1,281	916	1,232	1,183
					17%			29%
<u>PASTORAL, DAIRYING & CROPS COMBINED</u>								
96,385	20,098,206	22,916,530	1,078	1,538	1,492	911	1,092	1,075
					38%			18%
<u>FACTORIES.</u>								
98,918	6,091,497	11,026,278	1,014	1,356	1,831	970	902	1,045
					81%			7½%
<u>GRAND TOTAL.</u>								
99,549	28,976,333	36,924,812	1,057	1,490	1,570	928	1,030	1,064
					49%			15%

Statistical Office,
ADELAIDE,
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2nd July

GOVERNMENT STATIST.